

Thirtieth Anniversary Celebration for  
Employees of the Bank of Italy and Italian Foreign Exchange Office  
Pontificia Università San Tommaso d'Aquino

**Welcoming address by Antonio Fazio  
Governor of the Bank of Italy**

Rome, 28 November 2002

Mister President of the Chamber,

The Bank of Italy, with its Directorate, Board of Directors, Board of Auditors and managers, together with the Italian Foreign Exchange Office, expresses its gratitude to you for your presence here, for the honour you render to the employees of the Bank, for the significance of your visit at a time of important institutional engagements.

Ever since Governor Guido Carli promoted the first “Senior Employees Day” in 1966 with the intent of “further cementing the sense of belonging to the great family of the Bank”, these meetings have maintained the same, shared values.

Carli, whom we shall commemorate in a few months on the tenth anniversary of his death, left an indelible mark on the life of the Bank, its organization, its reputation. He contributed especially to the role of what he was inclined to call economic magistracy, which the Bank began to acquire in the 1960s.

A key aspect of his work was his action to accompany and strengthen Italy’s inclusion in the circuit of international trade and relations.

Continuing the work of Donato Menichella, Carli made full use of the supervisory powers attributed to the Bank by the laws of 1936 and 1947; at a time of rapid growth, under his guidance the banking system took on a function of development support, which it performed in a context of stability and security for the savings entrusted to the banks.

For Carli, the independent judgement and autonomy of the Bank in carrying out the tasks of monetary policy and supervision and in its internal administration were always an essential condition, a prerequisite for the performance of the Bank’s institutional functions. This vision had been characteristic of his predecessors, Luigi Einaudi and Menichella, and it would be of his successors, Paolo Baffi and Carlo Azeglio Ciampi.

The spirit of service and the values that have always been the hallmark of the Bank of Italy originate in the many, often difficult challenges that it has met in the course of its

history. The rigorous pursuit of institutional objectives is a *modus operandi*, a habit to which we remain faithful, in the awareness that the Bank of Italy has a fundamental contribution to make to Italian democracy and growth.

I. At the earliest “Senior Employees Day” — an occasion we later renamed “Thirtieth Anniversary Celebration” in order to underscore the aspect of a new beginning, a rededication to activity — the employees honoured had joined the Bank towards the end of the 1920s and in the 1930s.

Those generations had directly experienced epochal changes in Italy and in the life of the Bank.

Article 47 of the Italian Constitution introduced the principle of the protection of savings, the linchpin of the economy’s growth and stability. It is the reference point for the exercise of all the functions assigned to the Bank of Italy. The principle has been strengthened by the subsequent amendment of Article 117; it is supplemented and reaffirmed by the Treaty on European Union.

Immediately after the war Einaudi and Menichella carried out the monetary stabilization that permitted Italy to advance on the path of rapid industrial progress and development.

Menichella gave impetus to the Bank’s supervisory action. He never responded to the pressures or criticisms coming from special interest groups or fuelled by opinions that were distorted and groundless when not characterized, as is sometimes the case, by *singularis insolentia*.

In the 1980s and 1990s the Bank's autonomy and independence were strengthened by the attribution of full power to set the discount rate and of complete control over the expansion of monetary base.

After the crisis of the European Monetary System, the use of those instruments made it possible to subdue inflation in the second half of the 1990s. This was the decisive contribution of the Bank of Italy, with its policy and action, to the construction of the European Union.

Availing itself of the provisions introduced by the 1993 Banking Law, since 1995 the Bank has guided a far-reaching reorganization of the credit system that has put Italian intermediaries in a position to compete on the European and world stage.

In the euro area, monetary policy is entrusted to the European System of Central Banks. The Governors of the national central banks, together with the executives of the European Central Bank, are responsible for the common monetary policy. The national central banks are entrusted with its autonomous implementation under the principle of subsidiarity, in their respective money and financial markets.

The frame of reference of economic analysis and policymaking is now the entire area of the Eurosystem. The Bank of Italy, in parallel with the other central banks of the System, performs the function of issuing euro banknotes.

The Bank's role of advisor to the constitutional organs of the State is growing.

We are called upon to cooperate actively with the other European institutions and with the leading international financial organizations, including the OECD, the Bank for International Settlements, the International Monetary Fund and the World Bank.

Since 1998 the Italian Foreign Exchange Office, transformed into an operational arm of the Bank of Italy, has been reorganized and assigned tasks of implementing decisions

regarding the foreign reserves held by the Bank. In the reorganization the Office has also been entrusted with other important functions in the fight against money laundering and usury and in the field of balance-of-payments statistics.

**II.** Looking back on the years when you were hired, I am struck by the quality and quantity of the changes that have occurred, keeping pace with the Bank's institutional evolution, in both the organizational structure and management of personnel and in the way the Bank's functions are performed.

The decentralization of functions and internal administration was begun with the 1973 reform of the Bank's Statute. The process has continued, in keeping with the changes in local government.

New personnel regulations have been adopted, labour relations have been reorganized and the salary schedules and employment rules of the Italian Foreign Exchange Office have been brought into line with those of the Bank.

Construction of the Donato Menichella Centre housing the Bank's information technology and organizational structures was completed in 1999. We recently decided an expansion, which will crown the original project for the Centre.

The work of the Bank and the Italian Foreign Exchange Office has grown even more professionally demanding. In recent times there has been a substantial increase in staff training programmes at all levels.

Considering the central banks of the industrial countries, ours is one of those to which legislation assigns the broadest functions. The efficiency and effectiveness of its

action is shown by the fact that it is among those with the fewest employees in relation to its tasks.

The local activity of the branches is tending to increase in connection with the process of institutional and administrative decentralization introduced with the reform of Title V of the Constitution.

The branches play an essential role for note issue, banking and financial supervision, and payment systems oversight.

The activity of analysis of local economic conditions has been intensified. The branches are now more involved in the tasks of promoting and safeguarding banking competition at local level, in checking the quality of the services supplied to customers and verifying banking transparency.

The federalist reform has important implications for public decisions regarding the allocation of resources. It involves risks but also offers important opportunities.

In the logic of cooperation and cohesion, the reform makes it possible to reorganize the public sector to bring it closer to the needs of the population. The Bank, itself born on a regional basis, and the Italian Foreign Exchange Office are committed to playing their role in this process.

**III.** The adjustment and consolidation of the banking system has been an exceptionally great effort. In contrast with what has happened in many other countries, it has been achieved imposing only a modest burden on the public finances.

The reorganization of banking has been favoured by the role played by the banking foundations. Once the present uncertainties are overcome and the legislative phase now

under way is concluded, the foundations will certainly not fail to provide fresh impetus as they arrive at convergent positive solutions after due consideration.

In a period of rapid growth and occasional turbulence in global finance, the supervision of individual intermediaries and of the entire financial system is an even greater responsibility than in the past. As rigorous studies show and as is recognized in all the international fora, proximity to the institutions supervised is essential to the performance of controls.

We are awake to the role that the banking system can play for the growth of the real economy, for strengthening the industrial structure, in a correct relationship between banking and industry that avoids unsound connections between debt, ownership and financing.

International coordination among supervisory authorities remains crucial to effective supervision and in order to limit the burden on intermediaries.

The turbulence in the international markets and the sweeping social changes under way are increasingly impelling the authorities to discuss possible forms of governance of the world economy. There is a keener sense of the necessity of regulating a new category of goods that concern all mankind: *global public goods*, from the economy to politics, from the environment to security. There is a need to reunite the spheres of specialized knowledge, to comprehend the “new things” of this dawning century, a need that rings relevant in this Great Hall, calling to mind the reunification of knowledge promoted by Thomas Aquinas.

**IV.** Work is an essential part of human existence. The entire construction of our society was made possible by the fundamental contribution of work.

In the course of history work has seldom been considered a value in itself. On the contrary, for centuries it was viewed as a constraint, an imposition.

The Greeks considered it a punishment: the Greek word *ponos*, toil, is the root of the Latin *poena*. The Roman world also adopted this point of view. In both cultures, Greek and Roman, the supreme aim of free men was self-sufficiency, perfection. Work, as opposed to wealth, was considered detrimental to virtue.

In the Middle Ages work also acquired a positive connotation of enabling one to procure the goods needed to support oneself, of freeing man from the charity of others.

With the industrial revolution work came to mean “publicly useful activity”; in the Catholic vision, it was no longer seen as punishment but as man’s contribution to creation.

Starting out from the observation of the great transformation in the organization of production and the economy, *Rerum Novarum* founded the social doctrine of the Church. It paid more attention to wages, to their suitability to provide for the needs of the workman and his family. Social doctrine wrestled with the major changes that characterized the twentieth century; the approaches of social reformism moved in convergent directions.

After some regressive conceptions, which considered work exclusively as a resource of “pure energy”, the necessity of defending man’s dignity, his participation through work in the life of society, has been increasingly affirmed. Today we are faced with a profound transformation in the contents and processes of work.

The Italian Constitution makes labour a cornerstone of the Republic.

The capacity to contribute to the welfare of the community is inherent in every job: from spiritual, intellectual and moral work to jobs consisting mainly in physical activity. Every form of activity is valued for the contribution it makes to the common good.

On an occasion like the present one celebrating employees, we must also be mindful of the surrounding reality, its problems and complexity. This is plain in these difficult days for a sector of great importance for the economy and society. Let us express the hope that a concerted effort by all interested parties may open a path towards a solution.



Unemployment is a factor of inequality, tension and exclusion; it affects the right of everyone to participate fully in the political life of the nation. No less serious is the high incidence of irregular work.

Giving productive work to all must be a common, priority objective; it is a prerequisite for the orderly functioning of society, for the country's development in every sphere.

The revision of labour market regulation, which was begun in the past years with positive results and has continued with important negotiations, needs to progress further towards completion. The issue of new protections must be addressed. A wider range of employment models that includes forms of worker participation can offer new opportunities, through at least a de facto convergence between employers and workers on the strategic goals, and thus introduce new motivations and prospects.

The issue of enhancing professional skills in the public administration and the institutions, of innovation in the structures and organization of work, is crucial. Advances in this field are a factor of economic progress.

The only sure way to achieve higher employment remains the ability to activate more robust economic growth.

In today's situation, preserving fundamental aspects of the welfare state means reconfiguring it and rationalizing its structure. This is the challenge that must be taken up by the social partners and by the political system.

Economic and social policy is presented with a wide field of action, beginning with infrastructure endowment, especially in the most backward parts of the South.

The engine of growth is the enrichment of human capital consisting of professional skill and culture.

Research and education must supply the basis for technological progress and for introducing innovations into production.

It is the desire to do a good job, to improve, that powers growth and generates development.

V. The Bank of Italy has the human, professional and technical resources to face the future calmly, responsibly and with firm resolve.

The knowledge and experience of the staff must, even further, be turned to account. Appreciation of ability and merit, together with greater flexibility of management, can permit human resources to be used in a way that is increasingly efficient, motivating for staff and in keeping with the changing needs.

Today's meeting is not only the occasion for thanking you, my colleagues of the Bank of Italy and the Italian Foreign Exchange Office, for your dedication; it is renewal of our commitment to serve Italy.

I am confident that after participating for many more years in the life of the Bank you will pass the baton on to the new generations, ensuring continuity of the values that inspire our behaviour.

Mister President, in you, one of the highest representatives of popular sovereignty, we have seen great sensitivity to the autonomy and independence of the Bank of Italy. We renew our gratitude. As we await your lofty words, we are conscious that it is incumbent upon us to deserve the attention we are being paid by one of the highest offices of the State.

We offer sincere thanks to the Rector of the Angelicum for his significant message and for having made this prestigious Hall available for our ceremony.

To you "thirty year veterans", your spouses and all your relatives, whom I also consider members of our century-old House, my most affectionate good wishes on this happy anniversary.